

Memorandum

TO: Core Team Members

SUBJECT: URGENT STRATEGIES

DATE: April 15, 2008

Several deficit elimination strategies were identified in the January 2008 report to City Council, *"Development of Strategies to Address the City's General Fund Structural Budget Deficit"*. From those, strategies listed below have been identified as ones in which the City can act on right away to realize benefits immediately or need to be prepared for inclusion on the November 2008 ballot and have been defined as "urgent". These strategies will be discussed in a report from the City Manager to the City Council during the annual budget study sessions, as directed by the Mayor's March Budget Message.

<u>Top Priority Strategy</u>	<u>Sub-Team Leader</u>	<u>Team Members</u>
1. Utilize Financial Strategies that have positive Net Present Value (NPV) (prepay pension, pension obligation bonds)	Scott Johnson, Finance	David Baum, Redevelopment Danielle Kenealey, Attorney's Office Karen Davis, Management Partners
2. Formalize and implement a rigorous (property) asset management program	Katy Allen, Public Works	Ed Shikada, City Manager's Office Albert Balagso, PRNS Evet Loewen, Attorney's Office Jennifer Tonnis, Management Partners
3. Implement an Employee Suggestion and Process Streamlining Program	Mark Danaj, HR	Alex Gurza, OER Norm Sato, Attorney's Office Jennifer Tonnis, Management Partners
4. Ensure current fees fully cover all costs, specifically planning (advance planning), police, fire (ambulance, first aid), engineering/inspection	Joe Horwedel, PBCE	Dave Sykes, Public Works Renee Gurza, Brian Doyle, Mollie Dent - Attorney's Office Jennifer Tonnis, Management Partners
5. Implement City-wide Landscape and Lighting Districts or other Prop 218 "property-related" fees (voter approval)	Jim Helmer, DOT	Ed Shikada, City Manager's Office Vera Todorov, Attorney's Office Karen Davis, Management Partners
6. Restructure business tax rate to modernize and reflect current business profile (voter approval)	Paul Krutko, OED	Scott Johnson, Finance Karin Murabito, Attorney's Office Karen Davis, Management Partners

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Page 2 of 2

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| 7. | Shift Construction Tax and Conveyance Tax funding from capital projects to Operations & Maintenance (O&M) (voter approval) | Ed Shikada, City Manager's Office | Albert Balagso, PRNS
Ned Himmel, Library
Barbara Jordan, Danielle Kenealey – Attorney's Office
Jennifer Tonnis, Management Partners |
| 8. | Increase Revenues from visitors who benefit from General Fund Services, by increasing Transient Occupancy Tax (TOT) to Market and shift to General Fund or
Establish a Parking tax on City owned lots to General Fund or establish a Rental Car tax to General Fund (voter approval) | Paul Krutko, OED | David Baum, Redevelopment Agency
Ed Shikada, City manager's Office
Patty Deignan, Attorney's Office
Jennifer Tonnis, Management Partners |
| 9. | Increase Sales Tax to provide increased General Fund revenues (voter approval) | Scott Johnson, Finance | Patty Deignan, Attorney's Office |
| 10. | Modernize Utility Users Tax (UUT) and consider increase to bring into alignment with other large cities (voter approval) | Scott Johnson, Finance | David McPherson, Finance
Karin Murabito, Attorney's Office |